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HD Challenge

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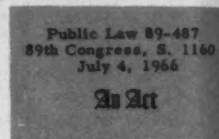
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PAGE 4: Dr. George Snowden, HUD Special Assistant for Nonprofit Sponsors, discusses some of the activities performed by them in addition to producing 41 percent of the low-income housing built since 1959.

PAGE 10: Several HUD programs can be used by nonprofit sponsors to provide new or rehabilitated housing and health services for the low- and moderate-income and the elderly.

PAGE 14: The damage left by tropical storm *Agnes* is greater than all the previous disasters, including the devastating flood in South Dakota in June, for which HUD has ever provided emergency assistance.

PAGE 26: Under the Freedom of Information Act, first passed in 1966, HUD is now providing more information and also making it more difficult to refuse to disclose information requested by the public or the news media.

PAGE 29: One of several training opportunities for HUD employees is the Career Education Program, which provides graduate level training to promising career personnel.

NEXT MONTH

The October issue will feature articles on how builders, developers, and building material suppliers see their role in meeting the housing needs of the Nation. Additional articles will cover urban renewal.

COVER: Flood waters in Virginia following tropical storm *Agnes* fill the streets of Manassas. Many communities were virtually under water and the resulting damage is immeasurable in the five eastern States declared Federal disaster areas in June. In a separate flood, South Dakota was also declared a disaster area.

Cover photo by Potomac News

looking ahead

HUD Aid Improves Low-Cost Housing Techniques

Grants totaling \$999,952 to 13 organizations will provide advice and technical assistance to nonprofit sponsors and mutual self-help associations directly engaged in the development of low- and moderate-income housing. These are the first grants made under Section 106(a) of the Housing and Urban Development Act of 1968, as amended, which authorizes HUD to provide, or to contract with public or private organizations to provide, information, advice, and technical assistance concerning the construction, rehabilitation, and operation of low- and moderate-income housing.

Continuing Urbanization Predicted

According to the recently issued final report of the President's Commission on Population Growth and the American Future, at least 50 million people will be added to the U.S. population before the end of this century—and almost 85 percent of them will live in the cities by the year 2000.

"Snob" Zoning Assailed

A state housing reform plan which would end the systematic exclusion of low-income families from suburban communities has been proposed by New Jersey Gov. William T. Cahill. The plan, in part, calls for statewide zoning reforms through which individual municipalities would act voluntarily to end such exclusionary requirements as large lots and high minimum floor spaces for new homes. If the State is to achieve a balance in housing for families of all income groups, New Jersey needs 100,000 new housing units a year; only half that number are being built, according to State housing officials.

Vertical Improved Mail System Installed

A 21-story office highrise in Stamford, Conn., features a Vertical Improved Mail System (VIM). The VIM System is installed with cooperation by the Postal Department, the architect, and the owner. It involves the inclusion in a major building of a postal office equipped with backloading locked postboxes. Rather than sorting mail at the downtown post office and then delivering it individually to building tenants, the carrier arrives at the building's postal room by 7 a.m. By the time early bird tenants begin arriving to collect their mail, it is ready for them,

safe and secure in locked boxes. Instead of waiting until much later in the working day for individual delivery, the building's tenants have their mail at the start of each working day.

Builders Find Population Changes Affect Housing Mix

According to *Savings and Loan News*, bedroom mixes for new housing developments are proving to be one of today's biggest problems for builders, land planners, municipalities, school districts, appraisers and lenders. Changes in life-styles are changing housing needs and preferences. The "pill," zero population philosophies, women's lib, singles togetherness, and longevity are all factors that seem to account for America's changing demands in bedrooms. According to the building industry which has virtually halted construction of four- and five-bedroom homes because the demand is down.

Assessor Recognizes Impact of Noise on Property Values

The Assessor of Orange County, in Southern California, has disclosed that 200 properties along the Artesia Freeway will have lower assessments for 1972-73 and that these reductions were primarily based on the impact that the noise level has had on home sales along the freeway. The reduction in assessed valuation averaged about \$2,000 per property, resulting in an average tax cut of \$200 per home. The revaluations were the result of a regular yearly county-wide assessments, although 200 property owners along the freeway recently petitioned the city council for relief from the freeway noise. This singular action by a local governmental agency reinforces HUD's concern and policies dealing with noise abatement and control to improve the environment.

Engineers Advocate Redesign of Urban Transportation

The National Academy of Engineering says that if urban transportation programs were designed with the welfare of an entire area in mind, half the land within a city now devoted to streets could be freed for other uses, including open spaces, educational centers, housing development, and industrial parks. The Engineers say that present systems of urban transportation are more detrimental than beneficial to city life, adding to air and land pollution, and noise levels. The Engineers' report is addressed to the Department of Transportation.

NONPROFIT INVOLVEMENT GOES BEYOND PRODUCTION

By George Snowden
Special Assistant for Nonprofit Sponsors

"The assumption by nonprofit organizations of a special responsibility to provide needed housing is a significant development of recent years and an historic example of effective cooperation between government and private voluntary groups. Generally speaking the housing projects so sponsored represent a great achievement not only for the sponsoring organizations but for the communities whose citizens they benefit."

—George Romney

Sponsorship of housing by nonprofit organizations started in the early 1960's. It arose from the need to provide housing for families with income above public housing limits but below that necessary to pay private market rents.

Religious organizations, labor unions, civic and community organizations, fraternal and ethnic groups—are typical sponsors of nonprofit housing. Nonprofit housing development corporations have also been set up under the Office of Economic Opportunity and Model Cities programs.

Some 1,300 nonprofit organizations are credited with developing more than a third of all HUD-FHA approved or subsidized housing built in the dozen years that nonprofit groups have participated in federally aided housing programs.

The actual production of housing is just one of the areas of involvement of nonprofit groups. They are also concerned with housing management and community development. They are advocates of equal opportunity. They undertake research assignments, are vehicles for housing experimentation, and participate in community planning and management. They are motivated by their concern for the consumer and recognition of the need to provide services and shelter for those who must have government assistance for decent housing.

Nonprofits* have proved both socially sensitive and fiscally responsible in three major areas: housing project management, training housing managers, and counseling both tenants and homeowners.

Management Activity

Their activity in housing project management arose from a need for adequate management for nonprofit sponsored projects. Nonprofit mortgages in many cases





FAR LEFT—Jimmy Bennet, Homeownership Counseling Coordinator for the Savannah (Ga.) Housing and Development Corporation explains the processing procedures for Section 235 assistance to a potential homeowner.

NEAR LEFT—With a seed money assist from the Nonprofit Housing Center, construction is underway on the Park Slope North Rehabilitation Project Child Development Center.

BELOW LEFT—The equal opportunity cement mason class of Allen Chapel Terrace Estates Training Center in Indianapolis, Ind., lays the sidewalk after completion of a housing project.

BELOW—Research into the feasibility of the Housing Management Corporation included interviews of managers of subsidized housing to find out what types of problems they face. The information proved useful for nonprofit corporations' management training activity.

Photos courtesy Nonprofit Housing Center



could not support private market management rates. Thus, nonprofits like The American Baptist Management Corporation, Modern American Living of Detroit, Mich., and Houston (Texas) Housing Management Corporation came into being. These organizations manage projects whose management fee does not always cover costs. In these instances, organizations must recoup their losses from other activities. The American Baptist Management Corporation operates nationwide. It currently manages 16 housing projects. Modern American Living and the Houston Housing Management Corporation operate in their immediate metropolitan areas and are currently, therefore, more typical of nonprofit managers. Modern American Living is currently managing 763 units.

Several nonprofit organizations have started housing management training programs geared to needs of low- and moderate-income projects. The Nonprofit Housing Center co-sponsors one in cooperation with the Foundation for Cooperative Housing, The Southwest Council of LaRaza, The National Urban League, the National Association of Housing and Redevelopment Officials, and the National Housing Conference of the Housing Management Specialist Institute. The National Association of Housing and Redevelopment Officials sponsor a Low- and Moderate-Income Housing Management Specialist Training Program. Both programs foster and develop professionalism in housing management. Both programs are based in Washington, D.C.

Counseling Programs

Nonprofits are engaged in both rental and homeownership counseling. Over 130 HUD-certified counseling agencies are providing counseling on a voluntary basis. Some nonprofits such as Housing Opportunity Center, Inc., of Kentucky, provide counseling in group sessions on consumer education and money management, and on a highly individualized basis, as for homeownership counseling. Nonprofit housing development corporations incorporate counseling in their programs.

Under a \$2.5 million HUD demonstration program announced in July 1972, 31 nonprofit and public organizations are providing counseling services for low-income homeowners under Sections 237 and 235 in 19 participating cities.

There is considerable nonprofit involvement in Community Action Programs and Model Cities. These federally aided programs have brought about many housing development corporations (HDC's). Such HDC's as the Model Neighborhood Housing Development Corporation of Springfield, Mass., and the Savannah (Ga.) Housing and Development Corporation have provided employment opportunities for Model Neighborhood residents. They also maintain programs of community education on housing. They are involved in the physical development of their communities. They sponsor programs that give other organizations that wish to undertake projects the benefit of their knowledge and experience in housing sponsorship. They have revolving loan funds with which to make seed money loans to nonprofit sponsors.

Community Service Facilities Provided

Another area of nonprofit involvement is planning and developing community social service facilities. The Brooklyn, N.Y., Park Slope North rehabilitation project is such an example. The three sponsoring organizations, St. Augustine's Roman Catholic Church, St. John's Episcopal Church, and the Frederick W. Richmond Foundation, did not stop at rehabilitating 102 housing units in Park Slope North; they also undertook the construction of a child development center.

Nonprofit involvement extends to research efforts in such little studied areas as housing abandonment. The National Urban League and the Center for Community Change cooperated in a study of housing abandonment in five cities. The nonprofits also made specific recommendations to counteract trends of housing abandonment.

Nonprofits are actively participating in experimental programs funded by HUD's Research and Technology department. The Kansas City Housing Development Corporation and Information Center in cooperation with HUD instituted a program of rent allowances as a means of subsidizing housing. (See the June 1972 issue of *HUD Challenge*.) The Nonprofit Housing Center is preparing a *Manual on Tribal Housing Enterprises and Resources*.

Promoting Equal Housing Opportunity

Nonprofits are active in promoting equal opportunity in housing. The National Urban League Development Foundation was awarded Operation BREAKTHROUGH sub-contracts to develop equal opportunity plans to fulfill BREAKTHROUGH requirements. The Nonprofit Housing Center has also compiled *Minority Business Opportunities* for HUD's Office of Equal Opportunity. The Los Angeles Ecumenical Housing Association participated in the Los Angeles Plan to expand opportunities for Mexican-American and black construction contractors of federally assisted construction projects in Los Angeles County.

Nonprofits are also involved in the development of new communities. The Columbia Interfaith Housing Corporation may provide housing in the towns of Columbia, Md., and Reston, Va.. Many nonprofits are active developers of housing for the elderly, such as Cathedral Manor in Jacksonville, Fla.. The United Presbyterian Church and The Episcopal Church have provided seed money to nonprofits developing housing for the elderly. National denominational housing specialists have organized to form The Interreligious Coalition for Housing. ☛

"Nonprofits" is shortcut usage for the nonprofit organization that sponsors housing and the separate corporation—also nonprofit—which the organization sets up for the purpose of developing and managing the housing. In order to maintain necessary separation of church and State, religious groups must set up this separate corporation that is then eligible to receive HUD funds.



LEFT—Instructions for participating in the concurrent seminars are described by Dr. Norma Newmark, Chairman of the Department of Family and Consumer Studies, Herbert Lehman College, City University of N.Y.

BELOW—Nonprofit Nursing Homes are explained by Mrs. Helen Holt, Special Assistant for Nursing Homes (Central Office) following a showing of the HUD movie, "People Helping People" at the San Juan Institute.



HUD'S NONPROFIT INSTITUTES

The road to success for nonprofit housing sponsors is not without pitfalls. How to cope with the pitfalls and how to avoid them when planning to become a housing sponsor are the twin themes of a continuing training series conducted by Nonprofit Sponsors Institutes in HUD's Region II.

Almost 1,000 people—sponsors and HUD staff members—participated in the four institutes held in New York, New Jersey, Puerto Rico, and the Virgin Islands. Each institute was co-sponsored by a HUD Area Office and an interested local college or university.

The training institutes were conducted by a small cadre of regional staff, including the Regional Administrator, augmented by local field staff, Central Office, specialists, and outside experts. The sessions had two objectives: (1) to improve the ability of HUD staff to service nonprofit sponsors, and (2) help nonprofit sponsors improve their performance in fulfilling commitments.

To meet the objectives, the training program is organized in two parts. First, a two-day regional conference is held for key HUD Area and Insuring Offices staff, which turns around the theme of "Better Service for Nonprofit Sponsors." This stresses

the interrelationship of production and management, and the need for administrative approach that considers both social objectives and fiscal responsibilities.

A two-day Nonprofit Sponsors Institute follows the staff training conference. Participants are sponsors, potential sponsors, consultants, management agents, mortgagors, and builders—an indication of the diversity of organizations that play a part in nonprofit housing development.

The typical Nonprofit Sponsors Institute opens with a presentation of the ground rules for decision-making. Then the participants divide into special interest seminars for sponsors of housing, potential sponsors of housing, and nursing homes and related facilities. All the participants re-assemble for reports, commentary by the HUD Regional Administrator and Area Director, and a free-wheeling, open discussion and problem clinic.

A nominal registration fee is charged all participants to cover lunches and administrative costs of the cooperating college or university. The fee has ranged between \$15 and \$30 depending upon local factors. Every registrant receives a special kit of current publications related to the needs of nonprofit sponsors.

The institute provides officers of nonprofit organizations, as well as professionals and businessmen they employ, with informational aids needed for efficient procedures. For HUD staff members, it provides training that helps and guides sponsors toward successful development of needed housing.

Based on Region II's training program, the Department plans similar programs in other regions starting in the Fall of 1972. As in Region II, the initiation and implementation will come from the Regional Administrator, with Central Office support. These programs will be coordinated by HUD's Special Assistant for Nonprofit Sponsors.

Training programs such as this represent one method of providing the information and advice to nonprofit organizations mandated by the Housing Act of 1970. @

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Nonprofit Corporations



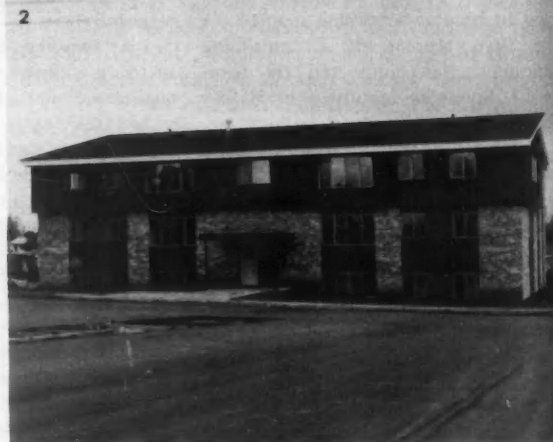
Editor's Note: Nonprofit housing corporations such as The Lincoln Redevelopment Corporation of Kansas City, Mo.; The American Baptist Service Corp. of Valley Forge, Pa.; The National Urban League Housing Foundation of New York, and the Nonprofit Housing Center, Inc. of Washington, D.C. act as go between for HUD programs and the experts needed to carry the nonprofit goals to fruition. In addition to making loans and providing counseling, many provide management services and other consultant needs. The activities of the Nonprofit Housing Center, Inc. described below are typical of the variety of services provided by these corporations.

The Nonprofit Housing Center is a national, nonprofit, membership organization formed to aid community-based groups to develop housing for low- and moderate-income families. It was created initially as the Local Development Service Division of the Action Council for Better Cities. With the merger of Action and Urban America, Inc., in 1965, it was reorganized as the Nonprofit Housing Center—a status it maintained in the National Urban Coalition formed in 1970 by the merger of Urban America and the Urban Coalition. In early 1971, the Center separated from the National Urban Coalition and became an independent organization, with headquarters in Washington, D.C.

To achieve its objectives, the Center:

1. **Makes low-interest "seed money" loans.** Local sponsors receive loans from a revolving fund which has aided 100 developments in 30 states and initiated construction of 16,432 housing units with development costs of more than \$265 million.

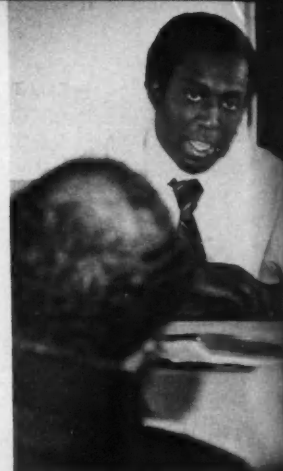
The seed money loans permit housing sponsors and minority entrepreneurs to cover preliminary planning



costs of housing projects, costs of land options and site engineering, architect's fees, and FHA mortgage application charges.

Seed money loans are also made to assist minority developers and investors in forming limited dividend corporations to produce housing for low- and moderate-income families. (Limited dividend housing allows six percent return on equity investment, plus certain tax depreciation benefits.)

The revolving loan fund consists of an \$800,000 recoverable grant from the Ford Foundation, a \$300,000 line of credit from Morgan Guaranty Trust Company, and a \$500,000 loan from the Presbyterian Economic Development Corporation, Inc.





1. Interfaith Housing Corporation sponsored this Boston, Mass., development which received a seed money loan from the Nonprofit Housing Center, Inc.
2. Nine churches and organizations comprise United Housing Inc., the nonprofit sponsor of this Waterloo, Iowa, development that received both technical assistance and seed money loan from the Nonprofit Housing Center, Inc.
3. Irving Gerick, Midwest Regional Director of the Nonprofit Housing Center, Inc. conducts training program at Airlie, Va.
4. Russell Hill, Assistant Director, Special Programs of the Nonprofit Housing Center, works with housing development corporation staff.
5. Helena Mills (left), who handles publications sales, helps Hazel L. Fry and Steve Hohlitt get information on Federal programs. Photo by Darryl Marshall
6. At a meeting of the Housing Development Corporation Advisory Committee, Norman Watson (right), HUD Assistant Secretary for Housing Management, stresses a point.

National Urban League, the National Association of Housing and Redevelopment Officials, and the National Housing Conference. This Institute combines six weeks of classroom work with subsequent on-the-job training for minority persons who want a career in housing management, to work for a housing sponsor, or to become a housing consultant. Of nearly 400 persons graduated from the 10 courses since 1969, more than 60 percent have been from minority groups.

4. Helps states and local communities to form housing development corporations or development funds. Launched in 34 states, these nonprofit corporations, formed by local leadership and funded largely by money from within the community, provide a technical and financial resource for the smaller housing sponsors who need assistance. They have themselves sponsored or have assisted in the development of more than 10,000 housing units.

5. Provides information on Federal housing programs The Center serves as an information center to local housing sponsors and housing development corporations through publication of such basic books as *Illustrative Case of Section 221 (d) (3)*, *Turnkey III*, *Rent Supplement Program*, *Organization of a Nonprofit Corporation*, *Nonprofit Landlord*, *Private Capital and Low Income Housing*, and *Model Cities Housing Development Corporations*. *Nonprofit Housing News*, the Center's newsletter, reports innovative approaches to housing development by local groups, and changes in housing law and regulations.

6. Serves as a national and international center for the exchange of ideas. The Center coordinates monthly meetings of the Housing Development Corporation Advisory Committee. The President of the Center's Board of Directors, Nicholas Hood, recently represented the United States at the "Nonprofit-Making Housing Organizations" seminar of the United Nations in Bulgaria. World wide urban housing and planning study tours are regularly sponsored by the Center.

Through its own recently formed Housing Development Corporation, the Nonprofit Housing Center will become the sponsor-developer of housing in communities which have no housing development corporation. Insofar as possible, the Center will be only the interim sponsor until such time as a nonprofit sponsor or minority entrepreneur-developers can take over. ☺

2. Provides onsite technical assistance. Such assistance stretches from the conception of a development through the processing and construction phases where actual development is determined to be economically sound and meets the Center's exacting feasibility standards.

More than 350 prospective housing sponsors have benefited in this way. But less than one-third of proposed developments on which the Center is consulted have measured up to its standards.

Since 1965, 92 nonprofit sponsors have met feasibility standards for development. One of these, is the League of United Latin American Citizens, which sponsored the first housing project completely owned and controlled by Latin American citizens.

Community involvement in planning and utilization of minority professionals and craftsmen in construction of the development are encouraged by the Center.

3. Conducts educational and training programs on how to develop and manage housing under federally assisted programs. Seminars and workshops organized by the Center focus on Federal housing programs and how local organizations can utilize them. Forty-five have been held, and more than 8,300 persons have participated in these sessions, the majority drawn from the minority communities. An annual National Conference on Low and Moderate Income Housing brings together sponsors of nonprofit housing throughout the United States to discuss national housing policy and exchange development and management experience.

The Center also co-sponsors the Housing Specialist Institute in cooperation with the Foundation for Cooperative Housing, The Southwest Council of LaRaza, The

HUD Programs Aiding Nonprofit Sponsors

Editor's Note: Several HUD programs are used by nonprofit sponsors to provide housing for low- and middle-income families. Nonprofit organizations also build hospitals and nursing homes, and rehabilitate housing in the inner cities.

Who are the nonprofit sponsors? Fifty-five percent are church groups; 22 percent are private, nonprofit corporations; 13 percent are fraternal or service groups; seven percent are labor unions, and two percent are public agencies. Not quite one percent are consumer cooperatives. Nonprofit organizations have provided 41 percent of the low- and moderate-income housing produced since 1959.

What follows is a sample of programs and a cross-section view of those in the Kansas City metropolitan area. (See glossary for program descriptions.)

Seed Money Assistance to Nonprofit Sponsors

The Cathedral Foundation of Jacksonville, Fla., six years ago began planning redevelopment of a 40 square block area in downtown Jacksonville to be financed under Section 106(b) of the Housing Act of 1968. Cathedral received \$30,400 to be used for construction, rehabilitation, and operation of low-income housing.

Two apartment buildings financed under Section 202 (now being phased into the Section 236 program) have been completed, and a third residential building for the elderly, which will receive an interest subsidy under Section 236, is currently planned. In addition to the apartments, Cathedral Foundation is sponsoring construction of a 128-bed hospital to cater largely to geriatric needs and emphasizing physical rehabilitation, Medicare, and long term care.

Through a grant under Section 106(a), Cathedral's knowledge and experience as a nonprofit developer is available to others who would like to provide housing that meets the needs of low-income people. The Foundation is also conducting demonstration programs in health maintenance; recreational and creative activity; nutrition and food delivery to people in outreach areas; and supportive services for the elderly including transportation, food service, and visiting nurse and homemaker services. A geriatric research center is contemplated, as well as more housing for the elderly.

Cooperative Housing

Colonial Park Townhouses, Inc., in Topeka, Kans., is a below market interest rate Section 221(d)(3) project sponsored by the Nonprofit Foundation for Cooperative Housing. The 195 units of one-, two-, three-, and four-bedroom townhouses are located on 22 acres. The 31 buildings are arranged in clusters with a community building in the center. The resident board of directors meets at least once a month to review its monthly financial statement and give direction to professional



management that takes care of the day-to-day operation. The members of Colonial Park have done an exceptionally good job of keeping the costs of homeownership down; the carrying charges range from \$79 a month for a one-bedroom to \$108 for a four-bedroom unit.

Nonprofit sponsors can build cooperative housing using mortgage insurance provided under Sections 213, 221(d)(3), and 236.

Mortgage Insurance for Housing for Older Americans

Havenwood, in Concord, N.H., is an example of successful linkage between nonprofit sponsors, the private financial community, and the Federal Government working in partnership to improve living conditions of older Americans. Under Section 231, the New Hampshire Conference of the United Church of Christ is the sponsor of Havenwood's 170 dwelling units in 24 semi-detached, two-story buildings. In addition to obtaining mortgage insurance, the project also participates in HUD's rent supplement program.

Direct Loans/Rent Supplement

1000 Southern Artery, Quincy, Mass., was developed by the Quincy Point Congregational Church Homes, Inc., and is occupied by elderly people. Its name is derived from the fact that it spans an interstate highway that carries 10,000 automobiles a day. The two finished buildings were built under Section 202; a third building under construction is financed under Section 236. The buildings are connected by a mall with stores, including a beauty shop, barber shop, grocery store, and a pool room.



TOP LEFT—Residents gardening outside Cathedral Towers built by Cathedral Foundation in Jacksonville, Fla. Simple "sunshine therapy" has its advantages among an aging population.

TOP RIGHT—Direct loans and rent supplements combine to provide housing for the elderly which spans an interstate highway at 1000 Southern Artery, Quincy, Mass.

ABOVE—The Tulsa Rehabilitation Center was financed with funds from both HUD and HEW and will serve patients from Oklahoma, Missouri, Arkansas, and Kansas.

A Senior Center provides space for social, cultural, and educational programs for the tenants.

Extended Care Facilities

The Tulsa Rehabilitation Center is a nonprofit corporation and a subsidiary of the Hillcrest Medical Center. The financing of the 100-bed Rehabilitation Center consists of a Section 232 insured loan and a Hill-Burton grant. The 90,000-square foot physical plant, opened in April 1972, is designed to help patients suffering from physical problems caused by such disabilities as strokes, amputation, spinal cord injuries, arthritis, muscular dystrophy, cerebral palsy, and multiple sclerosis. The Center will serve Oklahoma, Missouri, Arkansas, and Kansas.

Nonprofit Hospitals

The Space Center Memorial Hospital in Nassau Bay, Texas, a nonprofit hospital insured under Section 242, was named in honor of the astronauts and their families and dedicated to all the men and women associated with the NASA manned space program. Begun on June 1, 1970, the hospital will contain 130 beds and is expected to be operational in October 1972. By 1975, it is expected that the growing population will require a 450-bed hospital, and Space Center Memorial could be expanded to meet that need.

A scientific advisory committee has been appointed to assist the Board of Directors in recommending programs and projects suitable for adoption by the hospital and to establish liaison with the aerospace industry interest in supporting hospital-based health care programs.

Rehabilitation

Rehabilitation by nonprofit sponsors has improved low-income housing in the inner city under several HUD programs, including Sections 235(j), 236, and 221(d)(3) and Public Housing, all of which can be applied under Project REHAB.

One of the most active nonprofit sponsors under Section 235(j) is Camden Housing Improvements Projects (CHIP) in Camden, N.J. In the last four years, CHIP has purchased over 400 abandoned, rundown houses in the Camden inner city and rehabilitated them for resale to low-income families. Buyers often receive income assistance in the form of interest subsidies under Section 235.

Under Project REHAB, HUD and eligible sponsors in 29 cities are rehabilitating dwellings for resale to low-income families. In most cases the sponsors are nonprofit organizations such as Homebuilders Rehabilitation of Memphis, Inc. The Homebuilders organization which has done over 80 percent of all the rehabilitation in Memphis, or almost 500 units since 1967, used Section 221(h) until it was replaced by Section 235(j).

Nonprofit Sponsored Projects in Kansas City Metropolitan Area

Project	Units	Program	Type	Sponsor	Status
Bryant Manor	100	236	Family	Trinity African Methodist Episcopal (AME) Church	Minority
Heritage House	162	236	Elderly	Center Place Improvement, Inc.	Non-minority
Allen Gardens	78	236	Family	Allen Chapel AME Church	Minority
Royal Tower Apts.	235	236	Elderly	Volunteers of America	Non-minority
Royal Gardens	64	236	Family	Eighth Street Baptist Church	Minority
Forest Glen Estates	160	236	Family	Volunteers of America	Non-minority
Independence Plaza	149	236	Family	Church Housing for Independence Plaza	Minority
Raskob Manor	50	236	Family	Independence Plaza Community Center	Non-minority
Parker Square	204	236	Family	12th and Vine Housing Corp. and St. Mark's Church	Minority
Brighton Place	30	236	Family	St. Michael's Archangel Catholic Church	Non-minority
Brownmour	49	236	Project REHAB Family	Housing Development Corp. and Information Center (HDCIC)	Minority
Avon	48	236	Project REHAB Family	Housing Dev. Corp. and Information Center (HDCIC)	Minority
Temple Heights Manor	149	202-236	Elderly	Temple Heights Manor, Inc.	Non-minority
Mid City Towers	85	231(d)(3)	Rehab Elderly Rent Supp.	Mid City Community Congress	Minority
Friendship Village	144	236	Family	The Friendship Baptist Church	Minority
Lincoln Gardens	152	236	Family	Lincoln Redevelopment Corp.	Minority
Nowlin Hall	163	236	Elderly	College Heights United Methodist Church	Non-minority
				St. Michael's Archangel Catholic Church	Non-minority
				Van Brunt Blvd. United Presbyterian Church	Non-minority
Alpha Gardens	100	236	Family	Beta Lambda Chapter Alpha Phi Alpha Building Foundation	Minority
Parvin Estates	300	236	Operation Breakthrough Family	Shawnee Mission Housing Council, Inc.	Non-minority
Holy Temple Homes	198	221(d)(3)	Rent Supp. Family	Greater Holy Temple Church of God in Christ	Minority
Douglas Hospital Long Term Care Facility	100	232	N.A.	Douglas Hospital and Training Corp. of the AME Church	Minority
Wayne Miner Neighborhood Health Center	N.A.	Title XI	N.A.	Wayne Miner Neighborhood Center, Inc.	Minority
Medical Center—Kansas City College of Osteopathic Medicine	426	242	N.A.	Douglas Hospital Training Corps of AME Church	Non-minority Minority

N.A. — Not Applicable

TOP—In Camden, N.J., CHIP has successfully rehabilitated over 400 homes, which are then sold to low-income buyers under Section 235.

BELOW—Before and after photos of the kitchen in Crotona Park East Cooperative in New York City show the dramatic changes possible with rehabilitation.



Uses in Kansas City

Twenty-three housing projects providing 2,700 units, a neighborhood health center, and a 426-bed medical center are sponsored by nonprofit organizations in the Kansas City metropolitan area. Minority organizations are sponsors of 15 of the 23 housing projects. The projects and their sponsors listed herewith illustrate in cross-section types of nonprofit organizations that use Federal programs to aid development of needed housing for low-income people.

Nonprofit corporations are also very active in Model Cities neighborhoods in Kansas City. Eleven nonprofit organizations participate in child care, youth economic development activities, health and hospital care, and legal services. One particularly successful nonprofit activity is MO-KAN Contractors Association, funded in part by Model Cities. It assists in enforcing Federal requirements for minority participation in construction contracts. MO-KAN maintains lists of Federally funded projects that are up for bid in the area and assists minority contractors and subcontractors in bidding on these jobs. The organization refers individuals to job opportunities in construction trades and in obtaining union membership at apprentice and journeyman levels. @

GLOSSARY

PROGRAM

DESCRIPTION

Section 106(a)

A grant program to enable experienced public or private organizations to provide a variety of technical assistance and information to inexperienced nonprofit sponsors of low- and moderate-income housing.

Section 106(b)

Loans to nonprofit sponsors with motivation but lacking the financial capability to cover preliminary planning costs.

Section 202

NO LONGER ACTIVE

Direct loans to private nonprofit organizations, cooperatives, and limited dividend sponsors to provide housing and related facilities for the elderly and handicapped.

Section 236

An interest subsidy program to reduce the costs of certain rental and cooperative housing projects to the levels within the means of low-income families.

Section 213

Mortgage insurance to finance nonprofit cooperative housing.

Section 221(d)(3)

Below market interest rate (NO LONGER ACTIVE) and market rate mortgage insurance on rental and cooperative housing for low- and moderate-income families.

Section 231

Mortgage insurance for housing for the elderly.

Rent Supplements

HUD makes up the difference between the market rent and 25% of income, which the low-income occupant is charged in rent.

Section 232

Mortgage insurance for nursing homes and related medical services.

Section 242

Mortgage insurance for nonprofit hospitals.

Section 235(j)

Interest subsidy for the low-income buyer of housing rehabilitated by a nonprofit organization.

Section 221(h)

NO LONGER ACTIVE

Mortgage insurance on rehabilitated homes for sale to low-income families.

Section 235

Interest subsidy to enable low-income families to become homeowners.

Project REHAB

Insures the availability of funds for rehabilitation under several HUD programs in selected cities.



Virginia

1972 HIGH WATER LINE



Florida



Pennsylvania



Immediate problems and needs of flood victims are a major concern of HUD. As fast as units can be transported, mobile homes are made available to families who have recorded their needs at disaster offices while they wait in disaster centers, such as the Wilkes-Barre, Pa., airport. Meanwhile, beach erosion in Florida and a small run in Virginia that rose to 40 feet deep are reminders of the damage.

HUD Achieves Record Results Housing "Agnes" Flood Victims



Pennsylvania



Families whose homes were destroyed or made unliveable by June's tropical storm *Agnes* are moving into HUD-provided housing at a record pace. HUD staffs in disaster offices set up in 47 locations in five eastern States affected by the flood received a total of 25,471 requests for temporary housing. By mid-July, HUD had let contracts for purchase of 9,395 mobile homes, including 1,763 travel homes. HUD Secretary George Romney also called on representatives of the mobile home manufacturing industry to supply quickly an additional 7,000 units for temporary housing in the area devastated.

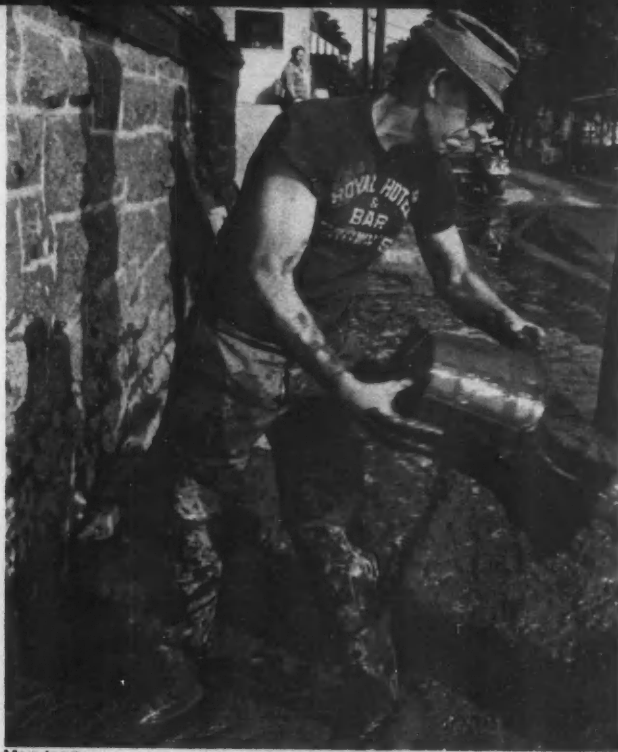
In Rapid City, S.D., well over 1,500 families were left homeless and 237 persons known dead following the devastating flood of June 9. All of the displaced families have been provided with either mobile homes or other temporary housing.

Flood victims who move into HUD-provided quarters pay no rent up to the first 12 months of occupancy. During this period, they may buy the homes at wholesale prices.

Disaster teams take various steps in meeting HUD rehousing responsibilities. They take applications from disaster victims; survey housing damage to establish rehousing needs; survey housing vacancies to identify existing undamaged units available for occupancy in both the private rental market and in HUD-assisted or owned properties; locate vacant mobile home sites; and identify land suitable for mobile homes.

In addition to the temporary housing activities, HUD directs a program for victims that provides temporary mortgage or rental payments. These payments may be made, for up to one year, for those families who face loss of their residences because of disaster-caused financial hardship.

HUD also provides low cost flood insurance under the National Flood Insurance program. \$165,000 had been paid to the victims of tropical storm *Agnes*; an additional 1,300 claims for approximately \$3.5 million are pending. In South Dakota, 17 claims totalling \$156,000 have been paid and another \$14,000 in claims is under consideration.



Maryland



South Dakota



Pennsylvania



Virginia

Virginia



New York

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Cleaning up the debris and drying out what can be salvaged after the waters recede is a heartbreaking task. Basements are filled with contaminated mud and household possessions are scattered among the foundations and building materials that once were homes.

Photos provided by Jack Schneider, President's Office of Emergency Preparedness; Don Polovich, Rapid City Journal; Tallahassee Democrat; Potomac News; and HUD.



Virginia



Virginia

One of the HUD disaster teams' major assignments is to provide the temporary housing needed by families whose houses are destroyed or damaged by the flood waters. Insurance checks presented through the National Flood Insurance Program can be a major aid in rebuilding a business or house. But until a permanent residence is found, flood victims are housed in mobile homes or vacant housing, both provided by HUD.



Virginia



South Dakota

editor's notebook

Hard-hit flooded areas of the East now have available a special means of financing construction of new homes and rehabilitation of substantially damaged dwellings through GNMA's purchases of FHA and VA mortgages at par, i.e. at 100% of the value of the mortgage, rather than at the discounts ordinarily charged in the market. On a \$20,000 home, this no-point financing could mean a saving to the buyer of some \$800 which otherwise would have been included in the cost of the home.

Local Housing Authorities in flood-ravaged areas of Pennsylvania were offered 2,500 modular homes of one to four bedrooms worth an estimated \$47,500,000. The Local Housing Authorities, with a funding commitment by HUD, will purchase the site and contract for all site improvements and the installation of the modular units. The experimental "rapid housing" agreement is an important step in Federal, State, and local cooperation to meet the long term housing needs in the disaster areas. The first permanent modular housing units are expected to be ready for occupancy by the flood victims in September. The units will meet all FHA minimum property standards. Modular homes are not to be confused with mobile homes which are currently being installed in the flood areas. HUD already has housed more than 1,500 families in mobile homes. More than 10,000 additional units have been ordered and mobile home manufacturers have promised to deliver nearly 4,000 units in the next two weeks.

Flood victims in the Wilkes-Barre, Pa., area soon will live in the same kind of temporary housing awaiting the summer Olympic athletes in Munich, Germany. Fifty leased fiberglass laminated units, valued at \$350,000, will be assembled on a site in Bear Creek, Pa., about nine miles from Wilkes-Barre. The three and four-bedroom units, sleeping six to eight people, have electric heating, refrigerator and stove, a complete bath and wall-to-wall carpeting.

HUD is providing a self-help rehabilitation program to speed the return of Pennsylvania families to their own homes. Under the new rehabilitation program, financial aid will be provided applicants to restore their homes to liveable conditions, until permanent repairs can be made. The rehabilitation to minimum living standards must be completed within three weeks. If the contractor does not start work within two weeks, families can reinstate their applications for HUD temporary housing. Families receiving this rehabilitation assistance will not be eligible for other housing. The new rehabilitation program is expected to place many families back into their own dwellings, rather than temporary housing. Funds for the program will come from President Nixon's Disaster Relief Fund.

For the first time travel homes are being used on a major scale for temporary housing. HUD is supplying them to victims of tropical storm Agnes. The majority of the trailer-type homes are in Kingston, one of the hardest hit of the flood-devastated Pennsylvania communities. The 19-to-24 foot homes can be set up in driveways and yards, allowing families to live near their homes while they clean and rebuild. Private contractors working for HUD make water, sewer, and electrical connections with the trailer in place. The travel units are much easier to install than the larger mobile homes which require a larger, more permanent site, and special 220-bolt electrical connections and sewer inlets.

The Federal Insurance Administration has reduced the rates for both flood and crime insurance in an effort to allow more homeowners and small businesses to purchase coverage. A 50% reduction in Federal Crime Insurance applies to both residential and commercial property. At the same time, twice the amount of coverage (\$5,000 X 2 = \$10,000) is available in the 10 States and District of Columbia eligible for the insurance. National Flood Insurance rates have been reduced almost 40% to levels low enough to encourage wider purchasing in these communities eligible for the program.

HUD has extended to States west of the Mississippi its "HUD Opens Doors" mass media fair housing advertising campaign. The campaign has increased by 77% the number of housing discrimination complaints filed with HUD over the period filed during the preceding one year period.

HUD has proposed the first settlement cost standards under the Emergency Home Finance Act of 1970. Based on Secretary Romney's determination of reasonable charges for necessary services in connection with HUD-FHA insured mortgage transactions, costs have been reduced as much as \$591 in one of the seven metropolitan areas affected by this action.

The first State-sponsored new town in the Nation, Lysander, N.Y., is the twelfth new community to receive Federal assistance under Title VII, Housing Act of 1970. It is the first to receive a determination of eligibility for grant assistance rather than a Federal guarantee of its debts for land acquisition and development. Lysander is to be developed 12 miles northwest of Syracuse on a 2,700-acre site acquired in 1968 by the Urban Development Corporation (UDC), a New York State land development agency. Lysander will be eligible for 20% grants from HUD supplementing 13 basic Federal grant programs for such facilities as water and sewer works, hospitals, libraries, parks, and playgrounds.

MINORITY WORK-STUDY PROGRAM

The first graduate of the HUD-financed work-study program for minority students established by the University of Miami in cooperation with the Dade County, Fla., Planning Department, has been assigned the monumental task of studying zoning regulations of all 27 municipalities in Dade County. She is Peggy Demon, now a fulltime employee of the Dade County Planning Department where her assignments call on all the experience and learning which earned her a Masters Degree in Urban Studies awarded by the University of Miami in January 1972. While working toward her master's degree, Mrs. Demon was involved in two HUD-aided neighborhood development programs and assisted in several other projects.

Financed by a HUD 701 planning assistance grant, Miami's work-study program, which graduated five more students this June, is directed by Joseph Middlebrooks of the University's Center for Urban Studies' Community Development Organization, and Reginald Walters of the Dade County Planning Department. The latter is now supervisor of Mrs. Demon's work for Dade County.

Need for the Program

Rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need for specialists with training in skills needed for economic and efficient community development. To help meet this need, HUD instituted the work-study program to train minority students in the various aspects of urban planning, public administration, and city management. Its aim is to provide public agencies a source of trained urban professionals with backgrounds that give them special insight into problems of minority and disadvantaged citizens.

More than 400 students are presently being assisted under the work-study program to attain degrees in urban and regional planning and other urban-related fields.

As conceived by HUD, each work-study project calls for a collaborative relationship between a State or local public agency and a nearby university, providing both academic and on-the-job training for minority group students. Each agency-university consortium recruits a predetermined number of minority students who conduct, during the academic year, a full-time academic study program at the university while working part-time (12-20 hours a week) at agency assigned tasks. During summer months, the students spend full-time on their work assignments. The nature of the work tasks is determined jointly by the student, the agency, and the university.

Students Become Employees

Reflecting on the work-study program which led to her master's degree and her present planning job, Mrs. Demon says, "I decided to work with this program for three reasons. First, I have a great interest in the problems that confront most black communities. Second, it offered financial assistance for obtaining a degree. The third reason was that it trained its participants to assume positions of responsibility in planning.

"I have found that it provides an outstanding opportunity for minority students to gain the academic skills as well as the practical application needed for planning and related urban professions."

The 10 students now in the work-study program under Professor Middlebrooks include six from the University of Miami and four from Florida Memorial College.

Their field work includes intern-ing in the planning department, Community Improvement Program, and HUD. In addition to on-the-job and academic work, they take three hours of special academic study in a seminar conducted by Professor Middlebrooks and his associates. @

-Janet Reiker



ABOVE—Peggy Demon is the first graduate of the work-study program at the University of Miami.

BELOW—Current students are (left to right) Arnett Lee, Debra Butler, Hazel Bungy, Carlton Forbes, William Franklin, Professor Joseph Middlebrooks and Jimmie Zittiner.



a New Dimension to Housing Authority Work

In 1971, the City of Pittsburgh, Pa., received from the U.S. Department of Labor two grants totaling over \$2.5 million, to be used to create job opportunities for veterans, handicapped persons, and persons from poverty areas. Among the agencies chosen by the City to carry out the purposes of the Public Employment Program (PEP) were the Housing Authority of the City of Pittsburgh and the Urban Redevelopment Authority.

Housing Employment

The Pittsburgh Housing Authority, with the funds allocated, put more than 200 people to work as management aids, maintenance aids, clerical aids, homemaker supervisors and aids, exterminators and aids, typists, and stenographers. If assignments require training, a regular Authority employee is made responsible for seeing that the worker receives it. Although the jobs provided are transitional, they are an opportunity for career development, and can provide workers with a diversified job background.

Since the primary function of the Pittsburgh Housing Authority is to plan, develop, and maintain housing for low-income families, the job program creates a new dimension of needed services of a management, maintenance, and social nature beyond PHA's present scope. It has, in

effect, established a task force of aids and supervisors for homemaking, maintenance, and management services to public housing tenants.

Families living in public housing communities in Pittsburgh suffer the same limiting illnesses and handicaps found in the community at large. But income restrictions in the public housing area make it difficult, if not impossible, for a family in need of auxiliary homemaking or housekeeping services to provide them. With funds provided through PEP, delivery of these urgent services has become possible.

Redevelopment Employment

The Urban Redevelopment Authority of Pittsburgh has been able to create 24 jobs for unemployed and underemployed Pittsburgh residents. Among those now employed under the program are seven former recipients of public assistance and seven veterans. All persons hired thus far have come from poverty areas.

These jobs are not in any sense "make work" situations. They are geared toward filling specific agency needs, increasing the skills of participants, and creating new opportunities for permanent employment in both the public and private sector.

One of the most effective uses of PEP personnel is in general maintenance of agency-owned property. Eight men are presently assigned to the property maintenance crew where they are being taught to repair water leaks, patch leaking roofs, replace falling plaster, repair and replace faulty electrical wiring, replace gas service lines, spray for infestation, seal vacant structures, and operate hi-lifts for removal of debris from vacant lots. Later this summer, some of this crew will help to rehabilitate an agency-owned structure for use as a temporary relocation facility.

Other positions created by the URA under the PEP program include loan specialists, planning assistants, social services aides, engineering in-

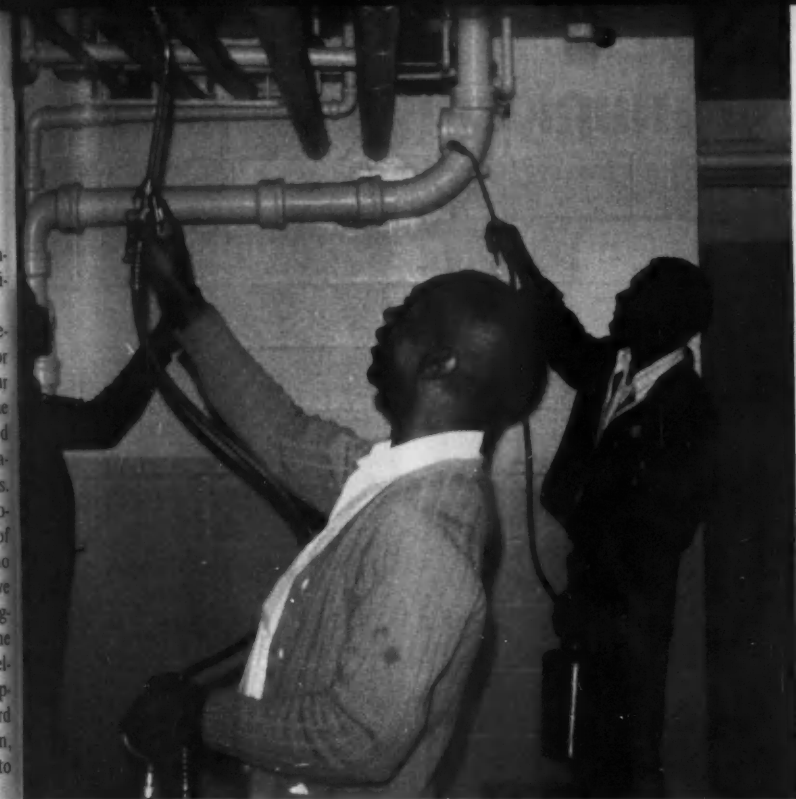
tern, maintenance supervisors, relocation aids, and deputy project engineer.

Proof of the program's effectiveness in creating new opportunities for permanent employment lies in four recent PEP graduates who used the experience and contacts gained through the program to secure permanent employment at other agencies.

The PEP program has had a profound effect on reshaping the lives of many talented, ambitious people who need and deserve a chance to prove their abilities. They have made a significant contribution to both the Housing Authority and the Redevelopment Authority. Without exception, they have proven to be hard working, imaginative, eager to learn, and grateful for the opportunity to work. ☺

—Edward Raletich





LEFT—Exterminators hired under PEP spray a public housing development for infestation. While they gain needed experience they also help to keep up the condition of the housing development. **BELOW LEFT**—Homemakers hired under PEP furnish aid and support to tenants and help with the upkeep of the public housing development by noting needed maintenance, like this missing window pane. **BELOW RIGHT**—PEP exterminators search for rodents in Abbequippa Terrace, a public housing project within Pittsburgh's city limits. **BOTTOM**—When they are not calling on tenants, homemaker supervisors and aids compare notes and concentrate on ways to improve homemaking services to tenants.



Introducing Communicept



In Toronto, Canada, a special combination of private enterprise, government investment, and a healthy dose of optimistic imagination produced a housing project that subsidizes the needy at no cost to taxpayers and at the same time assures the subsidized citizen that he will be accepted as a vital member of his community. Main Square is an integrated community of people who live and work together to make possible a new concept of subsidized housing. They call it "communicept," the community concept.

Canada's Central Mortgage and Housing Corporation financed it with a \$13.7 million loan, part of the Canadian government's \$200 million "innovative housing" program. Main Square was one of the first projects approved for the program.

Architecturally, Main Square is four non-uniform towers overlooking 7.8 acres of property between two rapid transit stations in downtown Toronto. A 29-story tower dominates

the 22-story twin towers and nine-story building.

While high-rise buildings are not extraordinary, what goes on inside Main Square's towers definitely is; old people, young people, single people, married people with and without children, students, handicapped people, people with plenty and people barely making it, all share Main Square's 1,080 apartments.

Peter Robinson, consultant to Central Mortgage and Housing Corporation, believes that three things make this project a unique experiment: the cooperative relationship between private enterprise and government, the "profit sharing" method of subsidization, and the spirit and philosophy of "communicept."

Best of Both Worlds


The relationship between the private owners and the Canadian government is crucial to the success of Main Square. Victoria Wood, a subsidiary of the U.S. firm of Kaufman and



Broad, approached the Canadian government with the idea of a combination commercial and residential project. The government agreed to invest \$13.7 million to be paid off by Victoria Wood. They built and manage the project and receive 50 percent of the net profit from the commercial establishments. The government in turn maintains a 50-year mortgage on the project with the right to control residential, but not commercial, rent for that period of time. The government also receives 50 percent of the commercial net

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net profits from this commercial rent is turned back into the community treasury to help those who qualify for rent reduction under the National Housing Act Program.

"The beauty of this system," according to Robinson, "is that all the good things that are built into a planned community like Main Square are shared equally by everyone. Those receiving rent subsidies through profit sharing are completely protected from any stigma because they are inconspicuous. They are not isolated and held up to society's contempt and resentment as is so often the case with 'government subsidized housing.' No one here pays a price in personal dignity."

Thirty different apartment plans, including bachelor suites renting for \$121, and one-, two- and three-bedroom units at a maximum of \$235, allow for a great deal of individuality. Those who qualify receive rent reductions. Handicapped or senior citizens whose income is less than \$5,800 per year receive a \$35 monthly subsidy on one-bedroom suites; single parent families receive \$25 for each preschool child and \$15 for each school-age child. Families and students with incomes below \$7,200 receive \$15 per month.

The planners of Main Square aimed for a population mix within the project that would mirror the population mix in the East Toronto community at large; that is, if eight percent of the citizens of East Toronto are over 65, then eight percent of the residents of Main Square must be over 65. The goal was the best possible cross section of age and income in a community of 2,500 people.

Population Mix

Robinson says Main Square is full of human interest stories. For example, families with young children set up a day-care nursery for preschoolers. Of course, you can't have a real nursery without a piano. So the senior citizens set aside all the "profits" from their bingo games, their bake-offs, and other projects and bought a piano.

"We see people helping each other in the old pioneer spirit," he

said "We have a blind lady who washes floors for old people who can't bend over. A young married girl in a wheelchair cooks for the spastic boys across the hall. It's beautiful. And it's a thrill for me to work with these people."

Ev and Helen Vennell are two of the original tenants of Main Square. They are both almost 70 and appreciate the opportunity to retire graciously "with no responsibilities of any kind, but with every opportunity to enjoy ourselves to the fullest." They feel, "This type of community effort is most unique... and should be inaugurated in every city of our great countries."

Making the population mix work is a gamble; but many people believe it can succeed. So the government invests, business builds, those involved remain as resident consultants and managers, tenants rent apartments and join communicept organizations. In short, people get involved.

Mr. Robinson has noticed an interesting pattern at Main Square. "Each time an identifiable group, the poor, the black, the handicapped, the foreign, the aged, join the community, there is initial hostility. But then something happens. Very soon, the hostility dissolves. Perhaps because of the complete mix of people there is no way for "us" and "them" to polarize.

No Advertisement, No Promotion

Main Square got its tenants in an unorthodox way. A group of girls who had never worked with real estate or selling were hired. They understood what Main Square was about and believed in it. Then when people came, expecting the standard sales pitch, wanting to know about the kitchen and the closets, they got something more. They got a feeling. If they didn't understand it or like it, they either went away or asked questions. But most people liked it. Main Square spent nothing on advertising—the idea sold itself.

The official attitude around Main Square is wait and hope and see. Robinson sums it up well: "I don't want to build it up; I don't want to tear it down. I just want it to be." ☺

—Jan Hunsinger

FAR LEFT—Main Square in Toronto, Ontario, Canada, consists of four non-uniform towers—a 29-story tower, 22-story twin towers, and a nine-story building.

LEFT—Ev and Helen Vennell are two of the original tenants who enjoy the atmosphere and amenities of Main Square.

ABOVE—Fifty percent of the rent profit from Main Square's enclosed, ground level shopping mall is recycled back into the community to subsidize needy tenants.

income to subsidize qualified tenants.

This split profit system gives both private business and the government a selfish interest in staying with the project and making it work.

Profit Sharing

Subsidization at Main Square is not a taxpayer's reluctant hand-out. More than 62,000 square feet of the project are allocated for commercial ventures, including office space for doctors, dentists, etc., and a ground level, enclosed shopping mall with 35 stores. The government's half of the

Auburn, California, Builder Education Project

Builder education projects, offering youths a chance to learn construction skills by working on a job under experienced direction, were started about two years ago in Southern California, mainly through the Young Home Builders Program, which uses the theme of "A Chance and a Challenge."

The builder education project launched last spring at Chana High School, a continuation school in the Placer Joint Union High School District in Auburn, Calif., is one of about 14 now underway in the Golden State. It is the first such project to be set up for a continuation school, to which students go who can't adjust to the regular school routine. Because of the school's limited size its program is not extensive and it has no funds for buildings or major equipment. Thus, Chana High School (named for Claude Chana, who discovered gold in nearby Auburn Ravine back in 1848) has generally "taken the leavings" in quarters and supplies.

With the builder education project, however, 15 Chana boys are holding the spotlight of community attention by rebuilding and rehabilitating a small white frame house on one of Auburn's main streets.

Enthusiasm Spreads

Sparkplug of the project is Bob Renz of Santa Fe Springs, co-chairman of the Manpower Development Committee for the National Association of Home Builders. He enlisted the enthusiastic support of Harold Gein, assistant superintendent of the Placer School District, who in turn got approval of the district superintendent, Dr. Donald McKinley, and of members of the board of trustees. To coordinate the project, they selected Gerald Mueller, a teacher who was intrigued by the idea and plunged energetically into the assignment.

The enthusiasm spread to the community. Central California Federal Savings and Loan volunteered to

provide funds to purchase a property for remodeling, charging no fees and asking no interest. Their investment will be repaid when the house is sold, and plans are already underway to use the money again for a second such project.

Local realtors offered their services, also without fee, in locating a property and in handling its eventual sale. A title company executive did the same. An advisory committee was formed, with electrical, plumbing, cement and general contractors; Chamber of Commerce representatives; and local businessmen. Each offered advice and skill in overseeing portions of the project.

The bulk of the project cost, including salary for an instructor, is being provided by State Vocational Education funds obtained by Mr. Gein. The Placer District has contributed \$1,500 of the \$11,000 budget. Auburn service clubs—Lions, Rotary, Kiwanis, etc.—have donated power saws, drills and other tools. Drafting equipment, carpenters' aprons, hard hats, a pickup utility box, have come from firms, individuals, and the Knights of Columbus.

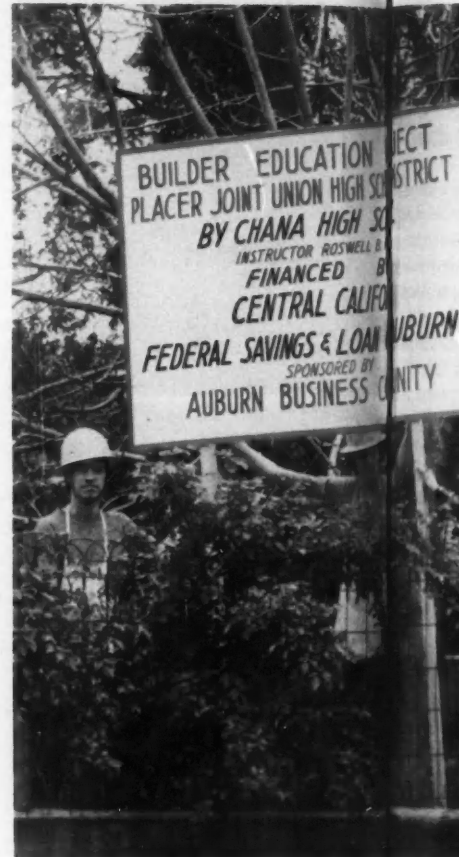
While local labor unions are not participating directly, they have been involved in the initial stages of the project and have approved it.

The student builders, working under direction of a vocational instructor, Roswell Hunt, and local contractors, are getting experience in all phases of construction work, as well as in financing and sale techniques. They are also taking related classes in English, mathematics, and drafting. Upon completion of two years in the program, students will be equipped to enter apprenticeship programs in the building trades or be employable on related jobs.

Close-in Convenience

The project house is located on a deep, narrow lot a short distance from Auburn's main business district.

Although structurally sound, the



house offered little in modern comfort or convenience to attract a buyer and, as in so many communities, might have fallen victim to the bulldozer and encroaching commercial areas.

Remodeled, it will offer the "close in" location and compact livability that many senior citizens seek—at a price substantially below that of new construction.

Plans call for a complete reorganization of the interior, plus the addition of a carport and redwood deck, and widening of a narrow driveway. Landscaping is planned to keep the early day flavor of this Gold Rush community, but still in line with today's demand for easy maintenance.



LEFT—One of the first jobs tackled by the young builders was to erect a sign proudly proclaiming the project and its sponsorship. Ross Davis, Roy Bongard, and Ron Davis (left to right) lend their muscles to the task, while Instructor Roswell Hunt (right) looks on.

BELOW—Trustee K.K. Miyamura (left) inspects some of the interior work with Harold Gein, assistant superintendent of the high school district.

BOTTOM—This small frame house in Auburn is changing the outlook on life for a number of teenage boys.



Obvious flaws in the original floor plan are being remedied; for example, the rear entrance formerly led directly into the bathroom, complete with ancient claw-foot tub!

Art classes at the school are designing a ceramic panel which will be incorporated into the remodeled foyer, replacing an odd sized and ungainly window.

The kitchen will be shifted to the rear and redesigned as a compact and functional center. An old, narrow side porch has been removed and footings poured for the new carport.

All interior partitions have been removed, along with old sheet rock. The roof supports have been reinforced.

One of the biggest jobs tackled early was the removal of the old concrete driveway and sidewalk. A jack hammer and eager muscles accomplished that, and the broken concrete is being used to build a retaining wall for the new drive.

Pride and Satisfaction

Interest and support for the project have come from a wide area, including officials of the California State Department of Education. The local newspaper has kept the public informed about the work. Neighbors and community leaders have noted the progress of the job with visible pride and satisfaction.

But the real progress and the real satisfaction is that of the students themselves—boys who stand a little taller, speak a little more confidently, and look to the future with a great deal more eagerness because they are learning skills, are doing something important, and are earning the respect and approval of a community from which they once felt "leftout."

They are also pointing the way for other communities who want to preserve good housing of the past and provide "downtown" convenience for older citizens who want a house of their own. ☺

—Helen Bale

Freedom of Information

By David O. Maxwell
HUD General Counsel

The decentralization of decision-making to its 77 Area and Insuring Offices is one of HUD's most significant actions in terms of making information about its activities available to the public, as the Freedom of Information Act directs. Thus, on most matters concerning housing or community development projects a citizen need not travel to Washington to talk with the decision-maker or to gain access to records.

The Freedom of Information Act was enacted in 1966 and became effective July 5, 1967. It directs that most kinds of Government papers, opinions, records, policy statements, and staff manuals be made available upon request.

The Freedom of Information Act's legislative history indicates Congressional concern that "disclosure be the general rule, not the exception." HUD's regulations, which directly implement the Act, are in tune with this intent and philosophy. Based on the proposition that HUD records are public documents, our stated policy is one of full and responsible disclosure of identifiable records and information consistent with such competing public interests concerning the national security, personal privacy, and obligations of confidentiality as are recognized by the Freedom of Information Act.

Exempt Categories

The categories of information which may be exempted from public disclosure include internal instructions to agency staff; confidential commercial or financial information; geological and geophysical data, including maps; and information specifically required to be kept secret by Executive Order. The exemptable categories—nine in all—are described as "matters that are—

- "(1) specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy;
- "(2) related solely to the internal personnel rules and practices of an agency;
- "(3) specifically exempted from disclosure by statute;
- "(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- "(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- "(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- "(7) investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency;

- "(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for use of an agency responsible for the regulation or supervision of financial institutions; or
- "(9) geological and geophysical information and data, including maps concerning wells."

HUD's policy of full disclosure is manifested in our regulations in several ways. First, they provide that HUD does not withhold a record merely because it falls within one of the nine categories which the Freedom of Information Act establishes may be exempted from public disclosure. Instead, every identifiable HUD record should be made available to the public except when it is not only within the specific categories but there is also a need in the public interest to withhold the record.

Second, we sought to obviate any chance that the regulations might be used as obstacles to the flow of information by instructing our field offices that "regulations and procedures are intended to facilitate the provision of records and information to the public. . . . They are not intended to impose additional layers or channels on the normal, day-to-day furnishing of information and services to the public. . . ."

Clearance Only to Deny A Request

Our simple procedures under the Act encourage release of information. The person who has basic responsibility for a program or activity may release any Department record relating to that program or activity. There are no reviews to delay release of a record. Only if an official wants to deny a request for information must he obtain clearance.

Prior to denying information to the public, the person with authority to release it must first obtain the approval of legal counsel. In the field, if counsel concurs in the proposed denial, he must then obtain concurrence with his opinion from the General Counsel in Washington. At this stage, the General Counsel must consult as necessary the Inspector General, the Director of the Office of Public Affairs and any Assistant Secretary whose responsibilities are involved.

An approved denial must be in writing, contain a simple statement of the reasons for it and set forth the steps which can be taken to obtain review.

Under these procedures, releasing information is easy—withholding information is difficult.

We have tried as well to keep uncomplicated our procedure for appeal from a denial. Under the regulations, once a request for records has been denied, there is only one appeal and that is to the Secretary. Although the Secretary may designate someone else to review appeals from denials, Secretary Romney has retained this power in himself. He has recently instituted a new procedure to

assist him in reviewing such appeals rapidly. A committee consisting of the Inspector General, the General Counsel and the Director of Public Affairs will review the matter and forward its recommendations to the Secretary, together with the original request for release and the reasons relied on for withholding. The Committee must report to the Secretary within one week after it receives the written appeal. This procedure will enable the Secretary to decide appeals promptly on the basis of the full facts and the considered advice of the most knowledgeable departmental officials.

Sensitivity to the Public

It is significant that the Director of Public Affairs, as a member of the reviewing Committee, will play a more institutionalized role in the consideration of denials of information than he has at times heretofore. The Director may well be more sensitive to the public's need to know than other officials who are caught up in the administrative demands and difficulties of the Department's programs.

In making denials, the Department consults—usually informally—with the Department of Justice's Freedom of Information Committee, as we have been requested to do.

The Department's policy of handling public information matters as simply and promptly as possible has resulted in a better-than-average record for the time taken to deny a request for public information and to respond to an appeal from such a decision denying information.

Congressman William S. Moorhead in the *Congressional Record*, for March 23, 1972 reported that the average for major government agencies was 33 days to deny a request for information and 50 days to respond to an appeal. For HUD he stated that the average times were respectively 24 days and 36 days—about 1/3 shorter in both cases than the major agency averages. While we recognize that we can do better on these times, we do suggest that our record to date manifests our desire to observe the spirit of the Act.

In locating documents and providing copies, we do not make any monetary charge for time spent in searching, if it is less than one hour. As a practical matter, if the person asking for a document identifies it specifically and it is therefore easily located, we generally do not need to charge the person for finding it. If the time taken to locate a document is more than one hour, the charge is \$5.00 per hour. Our instructions make clear that if time spent finding a record is the fault of our misfiling it, then the person requesting the record is not to be charged for the inordinate searching time. Costs for copying are \$.25 per page when we do the copying, and no charge is made for copying four sheets or less. Charges of this kind are

authorized by the Freedom of Information Act and we believe ours are reasonable. We understand they are in line with the median for such charges among government agencies.

Making Public Business Public

A few specific cases illustrate our determination to make the public business public. In each of these cases HUD has moved toward fuller compliance with the intent of Congress under the Act.

First, we have the lively question of appraisal reports, specifically the name of the HUD appraiser who appraised a specific property. Appraisals are performed either by our own staff or by professional appraisers whom we retain on a fee basis prior to our insuring a mortgage on a property. Appraisal amounts on a single property can vary considerably among appraisers and still be valid.

Because we believed that basic appraisals were essentially opinions subject to revision and the Department as a whole should therefore be prepared to take responsibility for them, our policy had been to grant access to appraisals, when requested, but to withhold the particular appraiser's name. The District Court for the Eastern District of Pennsylvania in the case of *Philadelphia Newspapers v. The Department of Housing and Urban Development*, decided in March 1972 that we should produce the names of the appraisers of specific properties, and so ordered. Secretary Romney recommended to the Justice Department against appeal in the case; it has not been appealed; and we have released the names which the *Philadelphia Inquirer* requested.

The Department's policy now is to release all HUD appraisals along with appraisers' names upon request. This we did in April in response to a request from the *St. Louis Globe-Democrat*.

A second type of record which we have recently released for the first time is the completed multifamily mortgage insurance application form, which had been requested by the *Miami Herald*. This form contains information about the applicant's proposal, including cost of land, legal and organizational expenses, consultant fees, and estimated costs of construction.

A third significant category of documents which Secretary Romney has decided to release to the public is HUD audit reports of the many agencies and private organizations which receive our financial assistance. Our instructions heretofore have provided that these audits were exempt from disclosure under Sections (b)(5) and (7) of the Act. Henceforth, in releasing them we will excise only that information, such as material bearing on possible criminal prosecution, which is clearly exempt under the Act and not in the public interest to disclose. ☞

in print

The City: American Experience, edited by Alan Trachtenberg, Peter Neill and Peter C. Bunnell. New York, Oxford University Press, 1971. 620p., paperback. \$6.95.

Two teachers of English at Yale, and the Curator of Photography at the Museum of Modern Art in New York have teamed together to produce an excellent reader on the city, a multidimensional view that takes the "city of the mind, of feelings and imagination, a composite city rendered from the experience of America's city people: European worker, poet, historian, social critic, visionary planner... the city as it has been known in America, restructured from raw experience into word and image."

The final result is probably the best single statement of what the American city is all about, within one set of covers. Concentrating on the larger cities, with large portions of New York and Chicago thrown in as Babylon epitomized, they take excerpts from biographical materials (Malcolm X, Mary Antin, F. Scott Fitzgerald, Alfred Kazin, Eliezer Greenberg, Fred Powlage, Jack McManus, Henry Miller); excerpts from stories, or whole short stories (Theodore Dreiser, Flannery O'Connor, Saul Bellow, Lloyd Zimpel, Norman Mailer, Ann Petry, Sherwood Anderson); judicious sociological materials, not overdone (W.E.B. DuBois, Stephen Thernstrom, St. Clair Drake, Horace Cayton, Robert E. Park, Fred Davis, Kenneth Boulding, Marshall McLuhan, Elliot Liebow, Paul and Percival Goodman); a minimum of architectural and planning critics (Soleri, Le Corbusier, Mumford); several dozen poets (including Whitman, Frost, Williams, Rukeyser, Ginsberg, McManis, Kinnell, Ammons, Feinman); sprinkled the book with dozens and dozens of superb photographs (Stieglitz, Ruscha, Adams, Ohara, Smith, Ishimoto, Hine Strand, Feininger, Weegee, Riis, Friedlander, Steiner, Callahan); sequenced the entire work simply and clearly: (Before the City; Finding the City; Place and Style; Interactions; Visions); appended a brief glossary of authors and photographers.

For the teacher, interested in reading supplements to the course text on the city, it is ideal; for the urban planner, trying to achieve a better understanding of what the city is all about, it is helpful; for the government administrator wrestling with policy implications of new programs, it provides many a valuable insight; for the casual reader on a train or plane, there is everything from whimsy to wild fantasy (Burroughs' "Crab Nebula," Barthelme's "Balloon," and Coover's "The Elevator"). For myself, the Boulding piece provided the most generalized insight into the plight of our time. The story by N. Scott Momaday, "The Night Chanter," is a most sensitive

expression of the Indian urban experience. J.B. Jackson's "The Stranger's Path" has the most original understanding of the layout of the city, as seen by a first-time newcomer. Rudolph Janu's face in the crowd turned away from the mass of watchers is magnificently haunting.

This is a book for random dipping, too:

Boulding—"... post civilization is stalking on the heels of civilization itself and is creating the same kind of disruption and disturbance in civilized societies that civilization produces on precivilized societies."

Jackson—"... one terminus of the Path is Skid Row, the other is the local Great White Way, and remote though they seem from each other they are still organically and geographically linked."

Dungan—"I shall walk out bravely into the daily accident."

Simpson—"At the end of the open road we come to ourselves."

For my money, the city is still the place where men come, in order to lose or find themselves, as the case might be.

Morton Leeds
Office of Program Development
Housing Management, HUD

Recent Studies

HUD International Brief No. 13, GPO, Washington, D.C. 20402. 12p. 15 cents. The development of the cooperative housing movement in the United States is traced in a report issued by HUD's Office of International Affairs. The report is a digest of a paper by Wallace J. Campbell, President of the Foundation of Cooperative Housing, Washington, D.C., presented at the Seminar on Nonprofit Housing, sponsored by the Economic Commission for Europe, held at Varna, Bulgaria, October 1971.

Consumer Protection: Interstate Land Sales explains protection against fraud which the Interstate Land Sales Full Disclosure Act affords prospective buyers of unimproved subdivision lots. Available free at any of the 87 HUD Offices throughout the country, or from the Publications Service Center, Room B-258, U.S. Department of Housing and Urban Development, Washington, D.C. 20410.

Optimizing Development Profits in Large Scale Real Estate Projects, by Michael D. Wilburn and Robert M. Gladstone. Washington: The Urban Land Institute, 1972. 64p., illustrated, \$10. This ULI Technical Bulletin No. 67 analyzes theory, programming, and finances of multi-use projects and applies the analysis to a hypothetical "Springfield Village," which provides a case study drawn from a variety of real situations.

Training—a vital part of good management—is essential to the development of the employees' highest potential. Therefore the Federal Government provides training to enable the career employee to contribute to the maximum effectiveness and efficiency of its administration. The career education program seeks to develop the capacity of career officials to see all facets of an issue, and to evaluate and act on it.

The Career Education Program in HUD comprises four separate educational opportunities: the Urban Development Academic Program sponsored by HUD; the Education for Public Management and the Education Program in Systems Analysis, sponsored by the U.S. Civil Service Commission; and the Educational Program for Federal Officials at Mid-

Career, sponsored by the Woodrow Wilson School of Public and International Affairs at Princeton University.

The selection of a University is dependent on HUD's and employee's needs as well as their background and preference. Participants are free to select any University that provides graduate level training to supplement the employees' educational background and qualifications. In the two Civil Service sponsored programs, eight specific universities participate: Cornell, Harvard, Stanford, Southern California, Virginia, Washington, Indiana, and Princeton.

Since the inception of the program at HUD in 1959, 59 employees have participated. Fifty-two of these are present HUD employees, including one regional administrator, one deputy regional administrator, two

assistant regional administrators, two area office directors, four deputy directors, and numerous division directors in the Central, Regional, Area, and Insuring Offices. Thirty-nine selectees have been between the ages of 30 and 39, and 36 employees have had from 5 to 9 years of Federal service. While no assurances are given that an employee will be promoted upon his return to duty, 26 employees have received at least one promotion and many have received two or more. Careful selection has meant a cadre of capable professional managers for the Department and its mission.

While eligibility criteria varies from program to program, at least three years of experience in HUD program or administrative areas is generally required, and nominees

HUD Career Education Program



This year's recipients standing in front of the central office are (left to right) Arthur M. Caines, Everett H. Rothschild, Michael P. Kulick, Lois B. Kleinerman, Paul A. Pradia, and Dominick P. Iannelli.

must be in grades GS-9 through GS-16. The educational prerequisites vary: they may range from requiring only a strong indication of potential for graduate level work to requiring a Bachelor's degree.

Unquestionably, the most important ingredient both for nomination and selection is that the employee has demonstrated to his supervisors and peers considerable potential for progressively greater policy making, management, and executive responsibilities within the agency.

HUD provides tuition for one academic year of graduate level study, transportation and travel costs, as well as book costs up to \$500. Participants receive full salary.

Each fall the Department invites nominations of employees for consideration. From this group of nominees, an ad hoc selection committee undertakes the difficult task of selecting six to twelve individuals to be recommended to the Under Secretary. The number to be selected annually is based upon projected needs and budgetary considerations; this year six were chosen.

Arthur M. Caines—Mr. Caines is an Urban Planner under the Assistant Regional Administrator for Community Planning and Management in the San Francisco Regional Office. His planning career began in 1963 as a Junior Planner for the Board of Education in the City of New York. From 1965 to 1967 he was an Associate Planner first for the City of San Diego and later with the firm of Marshal Kaplan, Gans and Kahn. Mr. Caines joined HUD in 1967 as an Urban Planner. He attended City College of New York and received his B.A. Degree from New York University where he majored in Government and Public Administration. He received his Master of Urban Planning Degree from New York University in 1965. Mr. Caines plans to enter Harvard University and pursue studies in the field of Public Administration.

Domenick P. Iannelli—Mr. Iannelli is Director, Office of Administration for the Assistant Secretary for Community Planning and Management. He started his Government career in

1951 as a civilian employee of the U.S. Air Force and progressed to Administrator of the Air Force Aid Society. In 1961 he received an Outstanding Performance Award from the Air Force in recognition of his administration of the Aid program. He joined the Housing and Home Finance Agency in 1963 as an Employee Management Relations Specialist and subsequently held the positions of Personnel Management Specialist, Deputy Director Administrative Services, and Special Assistant to the Deputy Assistant Secretary for Community planning and Management. Mr. Iannelli attended the Robert Morris School of Business Administration and George Washington University. He will enter the University of Pittsburgh and take studies leading toward a Master's Degree in Urban Affairs.

Lois B. Kleinerman—Mrs. Kleinerman is Special Assistant to the Director of the HUD Area Office in Newark. She joined HUD as a Housing Intern in July 1963. After completion of her training program, she became a Field Representative in the New York Region. From 1965 until 1969 she was an Urban Renewal Representative, then held positions of Renewal Management Specialist and Program Analyst. Mrs. Kleinerman received her B.A. in American Government from Smith College where she graduated cum laude and Phi Beta Kappa. She received her M.A. Degree from Columbia University where she majored in Public Law and Government. Mrs. Kleinerman will enter Stanford University in the Public Affairs Fellowship Program.

Michael P. Kulick—Mr. Kulick is Director, Accounting Division, Office of Administration, in the Atlanta Regional Office. He joined the Housing and Home Finance Agency in 1959 as an Auditor Trainee in the Washington, D.C. office. He later served as an Internal Auditor and Assistant Supervisor Auditor in the Atlanta Region. In 1966 he headed the Program Evaluation Unit in the Region IV Renewal Assistance Office. Subsequently, he held the positions of Urban Renewal Representative and

Program Manager in the Model Cities office. Mr. Kulick received his B.S. Degree in Business Administration from the University of Scranton. He will enter the University of Virginia where he will take studies leading to a Master's Degree in Public Administration.

Paul A. Pradia—Mr. Pradia is the Assistant Chief of the Mortgage Credit Section in the Spokane Insuring Office. Following his career as an Officer in the U.S. Army he became a civilian employee of the Department of Defense in 1964 as an Administrative Supply Technician. In 1966 Mr. Pradia joined HUD as a Loan Assistant Trainee and progressed to Loan Assistant in 1967 and Loan Specialist in 1968. The Department of Commerce and Economic Development of Washington State awarded him a Special Commendation in 1971 for his work in Community Development Workshops. Mr. Pradia received his B.A. Degree from Southern University. He will enter Cornell University and take studies in Public Administration.

Everett H. Rothschild—Mr. Rothschild is Chief, Sales Promotion Branch, in the Office of Property Disposition, Assistant Secretary for Housing Management. For seven years prior to joining HUD, he operated his own real estate firm in Philadelphia. His public service career includes employment as Deputy Assessor for the City of Philadelphia, and from 1958 to 1961 he worked for the Philadelphia Redevelopment Authority. He joined HUD in 1968 as a Program Analyst and has held positions as Senior Realty Specialist, Housing Management Officer, and Chief of Research and Program Planning. In 1970 he received a Special Achievement Award for his work in the Hurricane Celia and California fire disasters, and in 1971 was nominated to the President's Commission on Personnel Interchange. Mr. Rothschild is the first HUD employee not previously possessing a Bachelor's Degree to receive the Career Education Award. He will enter Harvard University and take studies leading toward a Master's Degree in Public Administration. ☞

lines & numbers

The Nation's largest cities are in the vanguard of the fight against environmental pollution. The most recent survey of environmental quality control activities found that during Fiscal Year 1970, the 48 city governments with populations of 300,000 or more, spent \$1.1 billion on air and water quality control and solid waste management. This represents direct expenditures; it excludes grants-in-aid, shared revenues, payments in lieu of taxes, and amounts for services performed by one government for another on a reimbursable or cost-sharing basis. The 48 city governments generated 45% of all direct expenditures, local, State, and Federal, devoted to the three major environmental quality control activities.

Selected Environmental Quality Control Activities, Direct Expenditures, FY 1970
(Dollars in thousands)

Level of Government	Total Expenditure		Water		Solid Waste		Air	
		%		%		%		%
Total	\$2,422,302	100	\$1,404,528	100	\$913,258	100	\$104,516	100
Federal	150,304	6	74,492	5	16,112	2	59,700	57
State	130,239	5	72,503	5	35,182	4	22,554	22
48 largest cities	1,073,732	45	510,801	36	552,364	60	10,567	10
58 largest counties	217,129	9	149,228	11	56,206	6	11,695	11
Local governments in 38 largest SMSA's*	850,898	35	597,504	43	253,394	28	N.A.	—

N.A. — Not Applicable

*Excluding city and county governments shown above

The survey further indicated that the 48 cities spent \$510.8 million on water quality control activities of which approximately 55% or \$283.4 million represented capital outlay expenditure for new treatment facilities. Maintenance of sewage collection and disposal systems accounted for \$163.5 million and operation of water purification facilities \$54.0 million. The remaining expenditure financed other current operations.

The greatest portion of city funds spent on solid waste management was used in collecting refuse and garbage. This cost \$303.1 million or 55% of the \$552.4 million total expenditure. Disposing of this refuse and garbage cost the cities another \$108.1 million. Street cleaning expenditure of \$71.3 million represented the third most costly solid waste management activity at this level of government.

According to the survey, the 48 city governments spend \$10.6 million on enhancing and protecting the quality of their air. Local governments' contributions to clean air include operation of air monitoring stations, issuing permits, inspecting fuel burning equipment, and regulating open burning.

Environmental Quality Control Activities, Direct Expenditures
Selected Large City Governments FY 1970
(Dollars in millions)

Water Quality		Solid Waste Management		Air Quality	
Total	\$510.8	Total	\$552.4	Total	\$10.6
Capital Outlay	283.4	Refuse and Garbage		Inspection,	
Sewage System	163.5	Collection	303.1	Enforcement, Permits	3.0
Water Purification	54.0	Disposal	108.1	Air Monitoring	2.1
Other	9.9	Capital Outlay	54.9	Capital Outlay	.8
		Street Cleaning	71.3	Other	4.7
		Other	15.0		

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